App. F. IX-4

1934-35

Previous References

J. O. & 2-31 (1-8) — S. 07

J. O. & 4 0-35 - (1-2)

O. & *Letter References* 53-34 - (1-4)

J. O. & 10-37 - (1-4)

File No. 53-34

Serial Nos. 5-8

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. four

Part B for May 36

SUBJECT.

Final settlement of the accounts of the Kuttram Factories.

D 6906 dt 12.5.36

to the J. O. &

WD 03607—GPB—22,500—2-8-35

State that the Kuttram factories are not entitled to claim any grants in respect of transactions referred to in the

Letter no. 882 dated 11th Sept: 1935 from the Dir. SOF requesting reconsideration of their orders on the proposals of his predecessor regarding the payment to the Kampepam Factories opium quota in respect of 2 Nos Ds of Sandal oil despatched in Dec: 1931.

SOF 53-34-1 P The original recommendation of the Dir. was that the quantity of 2000 Ds of Sandal oil despatched to Messrs Mitani on 19th Dec: 1931 should be treated as having coming under the

SOF 2.31(1-8) cl:7 N Agreement with the Kampepam Factories and that the Kampepam Factories should pay their quota in respect of the sale. It was decided that the claim of the Factories for credit for their quota of sale proceeds of oil sold on

SOF 53-34-4 Q 19.12.31 is not in order as the despatch of oil on that date was against a forward contract concluded in Nov: 1931 and not in pursuance of the agreement which came into effect from 19.12.1931.

2 The Kampepam Factories have represented to the Dir. that if they are not entitled to their quota in respect of sales in Dec: 1931, they had a claim to the benefit of sales concluded in Dec: 1933 during the period

NOTE—Contn. Sheet.

of the Agency. If the latter contention is conceded, Govt. would be required to pay Rs. 6436-8-7 to the Kottayam Factory as against Rs. 3230-4-0 only payable according to Mr. Ayyar's recommendation. The Hon. recommend reconsideration.

3 "The real question is whether the earlier sale to Bombay or the subsequent sale to Japan comes under the agreement with Kottayam" The relevant sentence in the agreement is :- "When any oil sold under this agreement, contains more than quantities so sold ..... and the proceeds that proportion shall be credited to the Kottayam Factory." cl. 7 of the agreement (G.O. 2.3.)

4 Kind attention is invited to the note at page 8-13 in File No. S of S 53-36 (1-6) in this connection & also for ours with ref. to D. 25.9.35. May the Law Section be consulted whether both the transactions of Dec 1931 and Dec 1933 may be excluded under the Strict interpretation of Clause 7 of the Agreement

K.P.

25/9/35

7 The claim for the earlier consignment made against a forward contract prior to the Agreement under the Kuppam factory has been ordered to be disregarded.

8 The claim now put forth is in respect of 2000 lbs of Jr 27 dispatched to Vellore during the period of the Agreement but stated to have been delivered after the termination. Under the Agreement the Kuppam factory will have a claim for short supplies in respect of consignments dispatched during the subsistence of the Agreement. Whether dispatch can be taken as a date is the point on which the admissibility of the claim will turn. It would seem that there will be nothing to appertain from until the goods are sold and their value is realized. In this case certain quantity of oil was despatched during period of the Agreement, but on that ground it does not seem to be open to the Kuppam people to claim any exemption. A corresponding quantity of oil has also been asked to be taken back.

9 It would seem as if this is only a counter move, with a view to gain the point raised in regard to the earlier transaction. If they had a good case they could have claimed in

NOTE—Contn. Sheet.

2131/35
p 35

V

1368

File No. of 193 .

General and Revenue Secretariat

larger amount itself. It is not clear therefore why the smaller claim on ~~the~~ the earlier transaction is pressed ~~for~~ ~~separately~~ considered, & while they would certainly see much better off by the settlement of the claim in respect of the larger quantity. It is clear that the Kuppam people are certainly at liberty to get what they can.

10 If seeing the law be applied considered on the legal aspects of the claim put forward.

Dutt 26/9

1934
2619

11 I shall address after I have expressed my opinion on the file 53-36.

The Law Branch may be consulted

MW. 1.10.

for opinion urgently

Law Br. 28/9/10

12

The Contention raised by the Kuppam owners is that either they should have the benefit of sale proceeds of oil despatched prior to Cessation date and sold actually during the period of Cessation or they shd have the benefit of the oil on board at said to have been delivered subsequent to termination of the Cessation

Law Dept 2/10

2131/5

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

sales but actually despatched during the period Contravention. The former has already been declared as not being in pursuance of the agreement. As regards the latter, the Dept says that they are entitled to their quota in respect of despatches of oil Cake amounting to 3075 tons against Contract Concluded in Dec 1933.

13 The agreement was the under Came into force from 19th Dec 1931 and has terminated from 20th Dec 1933 at the end of 2 yrs. The date of the transaction Carried on by the mills is not known, but they admit that the sale was Carried out subsequent to the termination of the Contract sale. They are therefore not entitled to the benefit of a transaction Carried out subsequent to the ~~preceding~~ termination of the Contract

8/ Law

15) 8/10

14 Forwarded with compliments to the Govt advocate for favour of his views in the matter

8/10

8/ Law

U.O. No. P 66735 dated 8/10/35 from 35-3/35-36 dt 9.10.35

GENERAL SECRETARY'S 12-NOV 1935 Fort St. George

U.O. No. 73/35-36 dt 12.11.35

Returned with compliments.

15 The agreement is dated 19-12-1931 and expressed to be in force for 2 years.

NOTE—Contn Sheet.

WD 03594—GPB—30,000—18-7-35

In file

6

File No. of 193 . General and Revenue Secretariat

16 In file No.53-34 page 1 para 3, it is noted that the consignment was sent to Bombay on 19-12-31, a day prior to the agreement. It may be ascertained

(1) when the agreement was written and when it was actually signed by the parties.

(2) If it was signed on the 19th, whether it was signed before or after the consignment was sent i.e., which was prior in point of time.

(3) Whether any stocks existing on 19-12-1931 were taken over from the Kuppam Factory and if so when or whether oil manufactured only after 19-12-31 in conformity with Clause 5 was taken over by the Government.

(4) Whether the Kuppam Factory sold any oil on 19-12-1931.

17 The file may kindly be sent to me with the above information.

Government Advocate.

CSN/12.11.35

Dear Sir)

13/11

Submitted with a D/L calling for particulars required by the G.A.

14/15.11.35.

19/nov/11

Letter No. D. 3300 of 20.11.35 to The Dir. S.O.T. calls for certain information as above.

6

May kindly be seen unofficially. The Dir. S.O.T. for furnishing the information required above?

by 14-13-11-35.

13/11

Draft letter

TYPING SEC. 16 NOV 1935

20/11/35

Serial No.

6

7

Letter no. 2393 S 19.2.1935 from the Dir. S.O.F. Submitting the original agreements executed by the Directors of the Kuppam Factories, and stating that it is not possible to furnish information as to the exact time of consignment, &c.

W.D. file may now be returned to the Govt. Advocate for favour of his views. Vide paras 16-?-

18.22.2.36 — Sir Secy / 21 — W.2

Endn no 192 S 1935-36 D 26-2-1936 — W.2

With compliments & the Govt Advocate for favour of his views — D.O. Secretary Dr Secy 26.2.36

Returned with compliments.

23 The point is not when the agreement of sale by way of a forward contract was entered into, but when the oil was supplied. The Kuppam Factories are not entitled to any portion of the oil supplied after the termination of the agreement. If, however, the oil was supplied during the contract period, they would be entitled to their share of the realisations. It is for this

17 APR. 1936 DEVELOPMENT BRANCH

NOTE—Contn Sheet.

WD 03594—GPB—30,000—13-7-35

8 Final Settlement of the accounts of Kuppam Factories.

File No. of 193 . | General and Revenue Secretariat

this purpose that I wanted some information which the Director says he is unable to furnish. In the absence of the information wanted, it is not easy to decide the point. But as the Kuppam factories admit they despatched 80 seers of oil on 19-12-1931 and claim that it is excluded from the agreement, I do not see how they can claim their share out of what was despatched on 19-12-1931 by the Government. Presumably, the oil was despatched before the agreement was executed.

4 The note in File No. 53-34, page 1, para 3 that the consignment was sent to Bombay a day prior to the agreement is not explained.

5 Taking these circumstances into consideration, the Kuppam Factories may not be entitled to any share out of the consignment despatched on 19-12-1931. As the matter is not free from doubt, as I have pointed out, it would be desirable to settle the dispute without allowing it to go to a Court of Law.

M Rajagopalan Nair
Government Advocate.

H/15.4.1936.

6 The file may perhaps be returned to the Govt. S.D.R. for favour of note and return.

KB 17.4.36
SB 17/4

Dr Levy 20.4.36

6092.
4/1

If Mr Jagadisa Iyer is willing discuss this with me.

MW. 22.4.36.

Serial No.

28 Under clause 7 of the agreement, the Kuppam factories become entitled to their quota only when oil is sold under the arrangement and not when an agreement to sell the oil is entered into. A sale takes place only when the property in the goods is transfered from the seller to the buyer. In the case of a forward contract, section 23 of the Sales of Goods Act makes such property in the goods to pass when the goods are delivered over to a carrier for transmission to the buyer, without the seller reserving any right of disposal during transit.

29 Applying these principles to the facts of this case, it follows that the right if any of the Kuppam factories to the quota in respect of the 2000 lbs of oil despatched on 19-12-31 cannot be defeated on the ground that this was a delivery in pursuance of a contract entered into in Nov^r 1931, ~~and not~~ long prior to the agreement. I think the sale of the 2000 lbs of oil must be deemed to have been made on 19.12.31 when they were delivered over to the Railways for transmission to the Bombay Agents of the buyer. The date of

NOTE—Contn Sheet.

WD 03594—GPB—30,000—18-7-35

Their actual delivery in Bombay is immaterial. If therefore cl (7) of the agreement applies to sales made on 19-12-31, the Kirkham factories are entitled to the quota.

The agreement is no doubt dated 19-12-31 and it was also executed on that day by the Director on behalf of Govt and by some five persons on behalf of the Kirkham factories. But its final execution was on 26-12-31 when the two other gentlemen who had to execute it affixed their signatures. Apart from this, clause (2) of the Agreement fixes its currency for a period of two years from 19th Decr 1931 and it is now a well settled rule of interpretation that in computing a period of time from the date or the day of the date, of a deed or any fixed day, that day is prima facie to be excluded, unless the parties intended otherwise (Norton page 178 & See also section 9 of the Genl clauses Regulation) In this case the minute of the proceedings of a meeting x

x S.07 40-33

Final Settlement of the accts. of the Kuppam Factory.

General and Revenue Secretariat | G.O. | File No. 5-3 of 1934 | [App. F. III—2

Serial No.

held on 26-12-31, when the document was finally executed, shows that all the parties understood it to be the agreement to come into force from the 20th Decr 1931 and that the quota is to apply to sales effected since that date. This minute is signed by all the executants of the agreement. Under these circumstances, I think the Kuppam factory are not entitled to claim any quota in respect of the 2000 lb of oil sold on 19-12-31.

3) As regards their claim for oils sold in January 1934 in pursuance of Contracts entered into during the currency of the agreement in Decr 1933, I am of opinion that the claim is untenable, since as has already been explained above, their rights under cl 7 accrue only when a sale is made & not when a contract for sale is entered into.

Dev Secy
Secretariat

MM 23/4/36
MW 25.4.36.

32 MM 29/4/36.
MW 29.4.36

OFFICE OF THE SECOND MEMBER OF COUNCIL. 27 APR. 1936 No. 5350

250
Law
RTR
MM 23/4

NOTE.—Contn. Sheet.

WD 03591—GPB—30,000—18-7-35

12

Trial Settlement of accounts
of the Kuppam Factory

S. Dept. File No. 53 of 1934 General and Revenue Secretariat

33 Draft. Sanctd
CO. 4-5-36 ... Dw Secy) W.
4.5.36.

7154/35

M. 8.5.36.

Issue
W.
8.5.36

Letter No. D. 6906 dt 12-5-36 To. Thubi of Sou & States that the Kuppam Factories are not entitled to claim any quota in respect of the transactions referred to in 3 & 5.

TYPING SECTION
8. MAY 1936
GENL & REV. SECTT.

BAC
13-5-36

GEN. & REV. SECRETARIAT
17 MAY 1936
DEVELOPMENT BRANCH

307
17-9-35

J-0-27-53-34-5

Tel. Address:—"Sandal Bangalore"

1368

SANDALWOOD OIL FACTORY

Bangalore, 13th Septr: 19

No. 882
a.

GEN. & REV. SECRETARIAT
1879
DEVELOPMENT BRANCH

FROM S. ABDUL WAJID ESQ., B.A.,
XXXXXXXXXXXXXXXXXXXXXXXX

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,

BANGALORE.

To

M. Venkatanaranappa Esq., B.A.,
Secretary to the Government of Mysore,
Development Department,
Bangalore.

S i r,

Refce:- Final settlement of the accounts of the Kuppam Factories.

With reference to your letter No.D.7440/SOF 53-34-4 dated 14th May, 1935, on the above subject, I have the honour to state that the Kuppam Factories were informed that they could not claim a quota in respect of the sales effected during December 1931. In their letter dated 15th July 1935, (copy enclosed), they state that if they are not entitled to the quota in respect of sales in December '31, they had a claim to the benefit of sales concluded in December 1933, during the period of the agency.

I am of opinion that according to the strict interpretation of the Agreement, the Kuppam Factories are not entitled to their quota of sales in respect of the contract for the sale of 2000 lbs of oil concluded in November 1931, but they are entitled to their quota in respect of despatches of oil amounting to 3825 lbs against contract concluded in December 1933, i.e., during the period of the agreement. If this is conceded, we will have to take nearly 559 lbs of oil and pay them Rs 6436-8-7.

To avoid this heavy payment, my predecessor in office recommended in his letter No. 2333 dated the 17th December 1934, to allow them the quota of sales on the contract of 2000 lbs concluded in

SOF 53-34-1
P

November 1931. 292 lbs of oil were proposed to be taken from them valued at Rs 3230-4-0. The rate recommended in this case was also in our favour as Rs 11/1/0 per lb was adopted for calculation while we actually realised Rs 15/9/0 per lb.

The statement appended to this letter gives a clear idea of the whole position and the extra cost involved if their claim is conceded in lieu of the proposals submitted in this office letter No.2333 dated 17-12-34. It is seen from it that if the claim recently put in by them is accepted, we have to pay them Rs 6436-8-7, whereas if the proposals submitted to Government are sanctioned they will get only Rs 3230-4-0. As they agreed to settle their accounts with us by taking into account the quota in respect of sales in December 31, the sanction of Government was sought for to settle their account accordingly. As it is advantageous to us to do so, I request that Government will kindly reconsider the position and sanction the proposals submitted in this office letter No.2333 dated 17th December 1934.

I have the honour to be,

S i r,

Your most obedient servant,

Director.

MG/

(3

Copy of letter dated 15th July, 1935, from Messrs. V. Subramaniam & R. Margesa Chetty, Proprietors of The Kangundi Industrial Works and the South Indian Industrial Works, Kuppam, to the Assistant Director, Government Sandal Oil Factory, Mysore.

We beg to acknowledge receipt both your letters of 25th May and 26th June on due dates. We regret to note that the Government have passed orders stating that our claim for the quota of sales proceeds of Sandal Oil despatched to Messrs. Mitsui Bussan Kaisha Ltd., on the 19th December,1931 for subsequent sales (during the period of our combination) at Japan is not in order and directed your goodselves for delivery of 292 lbs of Sandal Oil against payment of Rs 3,230-4-0. In this respect, we refer you to your letter dated 27th August 1934, wherein you will notice that 2157 lbs 15 ozs that was shipped to Japan and Eastern countries during the period of our combination but said to have been delivered subsequent to our termination of combination sales was eliminated and we were asked to take back 556 lbs 1 ozs of oil against payment of Rs 5430/-. From this your Government will not fail to see that either we should have the benefit of sale proceeds of oil despatched prior to combination sales and sold actually during the period of combination or we should have the benefit of sale of Sandal Oil said to have been delivered subsequent to termination of our combination sales but actually despatched during the period of combination. We are sure our claim to have the benefit either of one quite reasonable and you will please explain this to your Government who will not fail to see our plea is reasonable and will accede to our request.

Awaiting your further news and in the meanwhile we are,

M.K. Ramiengar

for Director,
Sandalwood Oil Factory. 13.9.35

(4

STATEMENT SHOWING THE QUOTA DUE TO KUPPAM FACTORIES DURING THEIR COMBINE.

1. Business concluded prior to the sales arrangements with the Factories and deliveries made during the period of combination:--

	Value realised.
2000 lbs in December 1931	Rs 31,000
Quota @ 14.6% - 292 lbs. rate Rs 15-8-0 per lb.	Rs 4,526

2. Business concluded during the period of combination, but deliveries made subsequent to the termination of the arrangement.

	Date of despatch.	Quantity lbs.	Delivery to buyer on	Rate Yen	Amount realised	Amount yet to be realised.
To Japan	13.1.34	3,000	25.5.34 Syndicate.	14.20	Rs 37020-9-7	
	"	300	10.4.34 Marumiya.	15.20		
To Singapore	26.1.34	150 (Through Bankers)	20.2.34 Ho-Hong Soap Factory.	20 sh a lb	Rs 1975-4-8	
To China	26.1.34	375	Dely through China Agency			
			28.5.34 75 lbs	Sh.22/6	1108-1-0	
			3.10.34 100 "	"	1466-1-5	
			30-11-34 75 "	21/-	1015-14-0	
			24-11-34 125"	18/-	....	Rs 1500/
		3825			42585-14-8	1500/
					Rs 44085-14-8	

Quota at 14.6% on the above.-

		Rs
lbs	558-7	6,436-8-7

Note:- Consignments of oil sent to European countries during the period of combination sales and actually sold after the termination of the agreement are not included.

for Director,
Sandalwood Oil Factory.

13-9-35

5

Appendix F G—1]

SUBJECT.....

.....

.....

Section S. D. 7.

File No. 5. 3. 34.

Serial No. 6

Diary No. of letter replied to.....

No. D. 3300,

To

The Director of S. D. F.

Sri

General and Revenue Secretariat

( )

the *193 . .*

with refee. to your letter no 882 & 11th Sept. 193 requesting reconsideration the orders of Govt. in the matter of payment to the Kurkpam Factories of their quota in respect of 200 tns oysendal oil despatched in Dec: 1931, I am directed to request you to be so as to furnish information on the following points.

Date of issue 20-11-35

Signed by M/. M.S.R

List of enclosures.....

Copied by .....

Examined by.....

[S. D. F.

(Three certified abstracts)

Welfare Attorneys Dept

J. Bancroft

Dte

WD 03601—GPB—30,000—23-9-35

(i) When was the agreement
... appeared written and when was
... it actually signed by the parties.

(ii) If it was signed on the 19th
Dec. 1931, was it signed
before or after the Consignment
was sent i.e. which was first in
point of time.

(iii) Were any sheets existing on 19.12.31
taken over from the Kanpur factory
and if so, when? was oil manufactured
only after 19.12.31 taken over by the Govt.?

(iv) Whether the Kanpur factory sold
any oil on 19.12.1931.

I have it

[illegible]

for others.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated 19th November *1935*

No. D. 3300

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Sandalwood Oil Factory in Mysore, Bangalore.

Sir,

With reference to your letter No.882 dated 11th September 1935 requesting reconsideration of the orders of Government in the matter of payment to the Kuppam Factories of their quota in respect of 2 000 lbs of sandal oil despatched in December 1931, I am directed to request you to be so good as to furnish information on the following points:-

(i) When was the agreement written and when was it actually signed by the parties.

(ii) If it was signed on the 19th December 1931, was it signed before or after the consignment was sent i.e., which was prior in point of time.

(iii) Were any stocks existing on 19th December 1931 taken over from the Kuppam Factory and if so, when? was oil manufactured only after 19th December 1931 taken over by Government?

(iv) Whether the Kuppam Factory sold any oil on 19th December 1931.

I have the honour to be,

Sir,

Your most obedient servant,

Secretary to Government,
Development Department.

SOF 1936

S&T. 53-34-7

Tel. Address:—"Sandal Bangalor

SANDALWOOD OIL FACTORY,

Bangalore, 19th Febry: 193 6.

No. 2393.

Tagreement

3480 19/2

FROM

S. ABDUL WAJID, ESQ., B.A.,

DIRECTOR, SANDALWOOD OIL FACTORY IN MYSORE,

BANGALORE.

To

M. VENKATANARANAPPA ESQ., B.A.,

Secretary to the Government of Mysore,

Development Department, Bangalore.

S i r,

With reference to your letter No.3300/S.O.F. 53-34-6 dated 20th November 1935, calling for certain particulars in regard to the quota to be allowed to Messrs. Kuppam Factories in respect of a consignment of 2,000 lbs Sandalwood Oil despatched in December 1931, I have the honour to state as follows:-

(1) The Original Agreement as executed by the Proprietors of the Kuppam Factories is submitted herewith. Some of the Proprietors have signed the same on the 19th December and some on the 26th December 1931.

(2) It is not possible to furnish information as to the exact time at which the consignment left on the 19th December and whether it was prior to or after the signing as above of the Agreement.

(3) From Mr. Parthasarathy's report dated 25th December 1931, regarding the stocks of wood and oil it is seen that the South Indian Industrial Works had 2912 lbs 6.5 tolas and the Kangundi Industrial Works had 3700 lbs - 2½ ozs. The first instalment of delivery against their quota was taken by the Factory on the 9th February 1932. It is difficult to say whether the quota was made up of the oil manufactured only after 19th December 1931.

(4) As per Clause 4 of the Agreement, the Kuppam Factories undertook not to sell any oil in any market from that date. On a

reference to them in this connection, they have written, in their letter dated 6th February 1936, that they have not mad any sales on 19th December 1931, but have despatched 80 seer of Sandalwood Oil to Kanauj that day towards previous sales.

I have the honour to be,

S i r,

Your most obedient servant,

Director.

MG)

Appendix F G—1]

SUBJECT.....

.....

.....

Section S.D.7.

File No. S 3-34

Serial No. 8

No. D. 6906/Encl

Diary No. of letter replied to.....

To

The Director of S.D.S.

Sri.

General and Revenue Secretariat

( )

the *193* .

with reference to your letter no. 882 of 11-9-1935 regarding reconsideration of the orders of Govt. on the proposals of your predecessor regarding the payments to the Kuppuram Factories of their quota in respect of 2000 lbs of Sandal oil despatched on 19-12-1931, I am directed to state that the Kuppuram Factories are not entitled to claim any quota in respect of the transactions referred to by you. Copies of a note embodying the legal opinion of the

Date of issue 12.5.36

Signed by Addl. K.S.R.

List of enclosures.....

Copied by 11/5/36

Examined by.....

WD 03601—GPB—30,000—23-9-35

11

Matter is enclosed.

The ... original agreement recd. from Lang & Co

Paris 28:31 Dec
1936
with your letter no.
2393 of 29.2.36
is herewith recd.

W.

Wm Lang
4.5.36

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Dated, Bangalore, 12th May 1936.

No. C 6906

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The Director of Sandal Oil Factory,

Bangalore.

Sir,

With reference to your letter No.282 dated 11.9.1935 requesting reconsideration of the orders of Government on the proposals of your predecessor regarding the payment to he Kuppam Factories of their quota in respect of 2,000 lbs of Sandal Oil despatched on 19.12.1931, I am directed to state that the Kuppam Factories are not entitled to claim any quota in respect of the transactions referred to by you. Copy of a note embodying the legal opinion in the matter is enclosed. The original agreement read with Govt. letter No. 23933 S 15-2-36 is herewith returned.

I have the honour to be,
Sir,
Your most obedient servant,

Secretary to Government,
Development Department.

K.M.R.2.

LEGAL OPINION.

Under Clause 7 of the agreement, the Kuppam Factories become entitled to their quota only when oil is sold under the arrangement and not when an agreement to sell the oil is entered into. A sale takes place only when the property in the goods is transferred from the seller to the buyer. In the case of a forward contract, section 23 of the sales of goods Act makes property in the goods to pass when the goods are delivered over to a carrier for transmission to the buyer, without the seller recovering any right of disposal during transit.

Applying these principles to the facts of this case, it follows that the right if any of the Kuppam factories to the quota in respect of the 2000 lbs of oil despatched on 19.12.1931 cannot be defeated on the ground that this was a delivery in pursuance of a contract entered into in Novr. 1931, long prior to the agreement. I think the sale of the 2000 lbs of oil must be deemed to have been made on 19.12.1931 when they were delivered over to the Railways for transmission to the Bombay Agents of the buyer. The date of their actual delivery in Bombay is immaterial. If therefore Cl (7) of the agreement applies to sales made on 19.12.1931, the Kuppam factories are entitled to the quota.

The agreement is no doubt dated 19.12.1931 and it was also executed on that day by the Director on behalf of Govt. and by some five persons on behalf of the Kuppam factories. But its final execution was on 26.12.1931 when the two other gentlemen who had to execute it affixed their signatures. Apart from this, clause (2) of the Agreement fixes its currency for a period of two years from 19th December 1931 and it is now a well settled rule of interpreation that in computing a period of time from the date or the day of the date, of a deed or any fixed day, that day is prima facie to be excluded, unless the parties intended otherwise (Norton page 178 and *See*. also Section 9 of the General clauses Pegulation In this case the minutes of the proceedings of a meeting held on 26.12.1931, when the document was finally executed, show that all the parties to the agreement understood it to come into force from the 20th December 1931 and that the quota is to apply to sales effected since that date. This minute is signed by all the executants of the agreement. Under these circumstances, I think the Kuppam factories are not entitled to claim any quota in respect of the 2000 lbs of oil sold on 19.12.1931.

As regards their claim for oils sold in January 1934 in pursuance of contracts entered into during the currency of th agreement in Decr.1933, I am of opinion that the claim is untenable, since as has already been explained above, their rights under Cl.7 accrue only when a sale is made and not whe a contract for sale is entered into.

"Copy"

For Secretary to Government,
Ag. Development Department.

T.M.R.2.